

107TH CONGRESS
1ST SESSION

H. R. 3081

To amend the Internal Revenue Code of 1986 to provide a credit against income tax for expenditures for the maintenance of railroad tracks of Class II and Class III railroads.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 10, 2001

Mr. MORAN of Kansas introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit against income tax for expenditures for the maintenance of railroad tracks of Class II and Class III railroads.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CREDIT FOR MAINTENANCE OF RAILROAD**
4 **TRACK.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to business-related credits) is amended by
8 adding at the end the following new section:

1 **“SEC. 45G. RAILROAD TRACK MAINTENANCE CREDIT.**

2 “(a) GENERAL RULE.—For purposes of section 38,
3 the railroad track maintenance credit determined under
4 this section for the taxable year is the amount of qualified
5 railroad track maintenance expenditures paid or incurred
6 by the taxpayer during the taxable year.

7 “(b) LIMITATION.—The credit allowed under sub-
8 section (a) shall not exceed \$4,000 per mile of railroad
9 track with respect to which the expenditures were paid or
10 incurred by the taxpayer for the taxable year.

11 “(c) QUALIFIED RAILROAD TRACK MAINTENANCE
12 EXPENDITURES.—For purposes of this section, the term
13 ‘qualified railroad track maintenance expenditures’ means
14 expenditures otherwise chargeable to capital account for
15 maintaining railroad track (including roadbed, bridges,
16 and related track structures) of Class II or Class III rail-
17 roads.

18 “(d) CONTROLLED GROUPS.—For purposes of sub-
19 section (b), rules similar to the rules of paragraph (1) of
20 section 41(f) shall apply for purposes of this subsection.

21 “(e) BASIS ADJUSTMENT.—For purposes of this sub-
22 title, if a credit is allowed under this section with respect
23 to any railroad track, the basis of such track shall be re-
24 duced by the amount of the credit so allowed.”.

25 (b) LIMITATION ON CARRYBACK.—Section 39(d) of
26 the Internal Revenue Code of 1986 (relating to transition

1 rules) is amended by adding at the end the following new
2 paragraph:

3 “(11) NO CARRYBACK OF RAILROAD TRACK
4 MAINTENANCE CREDIT BEFORE EFFECTIVE DATE.—
5 No portion of the unused business credit for any
6 taxable year which is attributable to the railroad
7 track maintenance credit determined under section
8 45G may be carried to a taxable year ending before
9 the date of the enactment of section 45G.”.

10 (c) CONFORMING AMENDMENTS.—

11 (1) Section 38(b) of the Internal Revenue Code
12 of 1986 (relating to general business credit) is
13 amended by striking “plus” at the end of paragraph
14 (14), by striking the period at the end of paragraph
15 (15) and inserting “, plus”, and by adding at the
16 end the following new paragraph:

17 “(16) the railroad track maintenance credit de-
18 termined under section 45G(a).”.

19 (2) Subsection (a) of section 1016 of such Code
20 is amended by striking “and” at the end of para-
21 graph (27), by striking the period at the end of
22 paragraph (28) and inserting “, and”, and by add-
23 ing at the end the following new paragraph:

1 “(29) in the case of railroad track with respect
2 to which a credit was allowed under section 45G, to
3 the extent provided in section 45G(e).”.

4 (d) CLERICAL AMENDMENT.—The table of sections
5 for subpart D of part IV of subchapter A of chapter 1
6 of the Internal Revenue Code of 1986 is amended by in-
7 serting after the item relating to section 45F the following
8 new item:

 “Sec. 45G. Railroad track maintenance credit.”.

9 (e) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2001.

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